

**House Republican Conference
Office of Committee Relations**

J.C.WATTS, JR.

Chairman

4th District, Oklahoma**THURSDAY, MARCH 8, 2001**

The House will meet at 10:00 a.m. for legislative business.

No votes are expected past 6:00 p.m.

Bill Pursuant to a Rule (1 bill):**H.R. 3** – Economic Growth and Tax Relief Act of 2001**Floor Situation**

Yesterday, the Rules Committee reported a modified closed rule for the consideration of H.R. 3 as reported by the Ways and Means Committee, which: (1) provides one hour of general debate; (2) makes in order an amendment in the nature of a substitute printed in the report on the rule, if offered by Mr. Rangel or his designee, which is debatable for one hour; and (3) provides for one motion to recommit, with or without instruction.

For the text of the rule and the amendment made in order (and a summary of the amendment provided by the sponsor), please visit the House Rules Committee website at <http://www.house.gov/rules/107rule3.htm>.

Summary

H.R. 3 provides immediate tax relief by reducing the current 15 percent tax rate on the first \$12,000 of taxable income for couples (\$6,000 for singles). A new 12 percent rate would apply retroactively to the beginning of 2001. The bill further reduces and consolidates rate brackets so that by 2006, the current structure of five regular income tax rates (15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent) will be replaced by four rates (10 percent, 15 percent, 25 percent, and 33 percent). Finally, H.R. 3 also repeals the present-law

provisions that offset the refundable child credit and the earned income credit by the amount of the alternative minimum tax (AMT).

Legislative History/Cost Estimate

H.R. 3 was introduced by Mr. Thomas on February 28, 2001. It was reported from the Committee on Ways and Means by a vote of 23-15 on Thursday, March 1, 2001 (H. Rept. 107-7). The Joint Committee on Taxation has estimated that enactment would cost \$958 billion over the next ten years. (Click [here](#) to view a letter from the Department of Treasury to Chairman Thomas on H.R. 3)

OMB Statement of Administration Policy

The White House, through the Office of Management and Budget, issues Statements of Administration Policy (SAPs) on legislation scheduled for House or Senate floor action. Each statement is current as of the date it was transmitted and has not been updated to reflect subsequent action.

Amendments

The following amendment was made in order by the rule for the time specified:

Mr. Rangel may offer a Democratic substitute that reduces the current 15 percent tax rate to a 12 percent tax rate on a couple's first \$20,000 of taxable income (\$10,000 on a single return). This plan provides \$225 of tax relief for joint filers (standard deductions only) and expands the Earned Income Tax Credit (EITC). The Democrats estimate that enactment would cost \$585 billion over the next ten years. **(60 Minutes) Staff Contact: John Buckley 5-4021**

For information or questions on the summaries provided, please contact the Ways and Means Committee at 5-3625.

Additional Information

CRS Products

[Recent trends in federal tax burden.](#)

Date: Updated Mar. 27, 2000. 2 p.

Author: Esenwein, Gregg A.

Product Number: RS20059

[Across-the-board tax cuts: electronic briefing book page. In the Tax Electronic Briefing Book.](#)

Date: Updated periodically.

Author: Gravelle, Jane G.

[The alternative minimum tax for individuals: electronic briefing book page. In the Tax Electronic Briefing Book.](#)

Date: Updated periodically.

Author: Esenwein, Gregg A.

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